

## Message Text

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PAGE 01 MANILA 04684 221011Z  
ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07  
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-01 /136 W  
-----081670 222001Z /64

R 220903Z MAR 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 3373  
INFO AMEMBASSY SINGAPORE  
CINCPAC  
CINCPACREPPHIL  
COMSEVENTHFLT  
USLO PEKING  
AMEMBASSY STOCKHOLM  
AMCONSUL HONG KONG  
CINCPACFLT PEARL HARBOR HI

C O N F I D E N T I A L MANILA 4684

E.O. 11652: GDS  
TAGS: BPRO, ENRG, EALR, RP, US  
SUBJECT: AMOCO "RESIGNS" AS OPERATOR FOR OIL EXPLORATION ON  
REED BANK

REF: 77 MANILA 18316

1. AMOCO, UNDER PRESSURE OF BEING VOTED OUT OF THE CON-  
SORTIUM BY SALEN PHILIPPINES, INC., HAS "RESIGNED" AS  
OPERATOR FOR REED BANK OIL EXPLORATION MARCH 15, 1978.  
AMOCO WILL CONTINUE TO PARTICIPATE IN THE SERVICE CONTRACT  
WITH A 22.5 PERCENT INTEREST, BUT SALEN PHILIPPINES, THE  
SWEDISH PARTNER, WILL BE THE OPERATOR FOR THE NEXT WELL  
SCHEDULED TO BEGIN IN LATE SPRING.

2. AMOCO BOUGHT INTO THE SERVICE CONTRACT AFTER THE FIRST  
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WELL WAS DRILLED BY SALEN. AMOCO HAD THE OPTION OF BUY-  
ING EITHER 50 PERCENT OR 25 PERCENT OF SALEN'S  
90 PERCENT INTEREST. IT CHOSE THE LESSER OPTION,  
WHEN THE NEXT TWO WELLS DRILLED IN 1977 PROVED  
DRY, NETTING THEM 22.5 PERCENT OF TOTAL INTERESTS.  
AMOCO WAS NOT INTERESTED IN DRILLING IN 1978 (REF-  
TEL) AND SALEN AND THE LOCAL PARTNERS WERE; THUS

THE SQUEEZE. AMOCO HAS INVESTED ABOUT \$9.5 MILLION SO FAR, AND WILL INVEST ABOUT \$1 MILLION IN THE NEXT SALEN OPERATED WELL.

3. THE U.S. FLAG DRILLSHIP GLOMAR TASMAN WILL PROBABLY BE USED BY SALEN IN THIS NEXT WELL. THE COORDINATES ARE EXPECTED TO BE 10 DEGREES 25 MINUTES N, BY 16 DEGREES 39 MINUTES E. THIS LIES ABOUT TWO MILES E-N.3. FROM SAMPAGUITA I. AMERICAN CITIZEN PERSONNEL WILL MOST PROBABLY BE INVOLVED IN THE OPERATIONS AS SALEN STAFF, DRILLSHIP STAFF, AND SERVICE SUB-CONTRACTORS.

4. THE ABOVE INFORMATION WAS PROVIDED BY JAMES MCDONALD, PRESIDENT, AMOCO PHILIPPINES PETROLEUM COMPANY. HE STATES THE AMOCO DECISION WAS BASED SOLELY ON ECONOMIC CONSIDERATIONS AND NO POLITICAL PRESSURES WERE PUT ON THE FIRM BY GOP TO EITHER STAY OR GO. THE GOP WOULD PREFER AMOCO TO REMAIN THE OPERATOR DUE TO ITS GREATER EXPERIENCE AND EXPERTISE, BUT ACCEDDED TO CONSORTIUM DECISION TO EXPEDITE EXPLORATION IN THE AREA. MCDONALD STILL BELIEVES THAT FROM DATA COLLECTED ON FIRST THREE WELLS, THE REED BANK AREA IS NOT AN ATTRACTIVE PROSPECT GIVEN OTHER OPTIONS IN THE PHILIPPINES FOR AMOCO INVESTMENTS.  
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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPLORATION, PETROLEUM, CLOSURE OF OFFICES  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Subject:** AMOCO "RESIGNS" AS OPERATOR FOR OIL EXPLORATION ON REED BANK  
**TAGS:** BPRO, ENRG, EALR, RP, US, AMOCO  
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